

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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Jiangsu Saga Holdings Co., Ltd.,

Plaintiffs,

Civil Action No.: 22-cv-5972

Complaint

-against-

E-Z Apparel, LLC, Gabriel Zeitouni, Charles Azrak,

Defendants.
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Plaintiff Jiangsu Saga Holdings Co., Ltd., (“plaintiff”) through its undersigned attorneys, allege as follows for its complaint against defendant E-Z Apparel (“defendant”) upon information and belief:

Nature of the Action

1. Plaintiff Jiangsu Saga, a China-domiciled manufacturer of apparel, sold to defendants, and caused to be delivered into their custody and control \$764,187.00 worth of apparel, all of which remains outstanding – and despite there having been no written complaints as to the timeliness of the delivery of the goods, the quality, the quantity, or compliance with the purchase-order specifications – defendants have failed to pay the outstanding balance, or even respond to plaintiff’s requests for payment. Thus, Jiangsu Saga sues defendants, jointly and severally, for breach of contract – specifically, the failure to pay for the goods – plus costs and pre-judgment interest.

Parties

2. At all material times, plaintiff Jiangsu Saga Holdings was and is a foreign company engaged in the manufacture of garments for export from China. Its principal office is

located at No. 33 Runqi Road, Jiangning District, Nanjing, 211103, Peoples Republic of China. None of its principals are believed to be citizens or residents of the United States of America.

3. At all material times, defendant E-Z Apparel (“E-Z”) was and is a limited liability company organized under the laws of the State of New York with its principal place of business located at 148 West 37th Street, 10th Floor, New York, New York. None of its principals are believed to be citizens or residents of the Peoples Republic of China. Gabriel Zeitouni and/or Charles Azrak are the sole member(s) and owner(s) of E-Z, Azrak may also be the Chief Executive Officer.

4. Gabriel Zeitouni is a United States citizen residing and domiciled at 1948 East 1st Street, Brooklyn, New York 11223.

5. Charles Azrak is a United States citizen residing and domiciled at 414 Avenue S, Brooklyn, New York.

Diversity Jurisdiction and Venue

6. Plaintiff Jiangsu Saga Holdings Co., Ltd. brings its complaint under federal diversity jurisdiction 28 U.S.C. §1332(a)(2), as:

- a. Plaintiff and its principals are citizens and residents of the Peoples Republic of China;
- b. Defendant E-Z Apparel, LLC is organized in the State of New York, and maintains its principal place of business in New York;
- c. The amount in controversy is in excess of \$75,000.

7. Venue is proper in this case pursuant to 28 U.S.C. §1391(b), as defendant’s principal place of business is within the Southern District of New York.

Factual Background

8. At all times hereinafter mentioned, E-Z was under the direct dominion and control of defendants Zeitouni and/or Azrak.

9. Plaintiff sues herein for recovery of \$764,187.00, due for goods manufactured and delivered to defendants, in accordance with the following invoices:

Invoice number	Unpaid Invoice amount
SGAA1998006	\$202,950.00
SGAA1998007	\$55,350.00
SGAA1998009	\$147,600.00
SGAA1998011	\$231,732.00
SGAA1998013	\$108,855.00
SGAA1998013A	\$17,700.00
Total	\$764,187.00

10. Each invoice was duly transmitted to defendants in the ordinary course of business, none of which are known to have been disputed.

11. Plaintiff issued accounting statements to reflect the past invoices due.

12. Defendants have not made payments on these invoices.

13. The current balance of \$764,187.00, plus interests, costs, and attorneys' fees, remains outstanding and due.

14. Plaintiff has demanded payment due for the invoices on several occasions including through the undersigned counsel.

15. Defendants have failed to fulfill their payment obligations.

As and for a First Cause of Action: Breach of Contract & Account Stated

16. Plaintiff incorporates by reference the preceding allegations as if fully restated herein.

17. In 2019, defendants contacted plaintiff with requests to purchase apparel and issued purchase orders to that effect.

18. These communications culminated in orders to purchase apparel from plaintiff, pursuant to which plaintiff issued invoices.

19. The goods that were the subject of the invoiced purchase orders listed above were delivered into the custody and control of defendants or directly to their respective vendors, as instructed by defendants, none of whom made any objections at that time as to the timeliness of the delivery, the quantity or quality of the goods delivered, or the goods' compliance with the purchase order specifications.

20. Defendants have failed to make payment of the balances owed on the purchase orders, as set forth in the last column of the above chart.

21. By reason of the aforesaid, plaintiff sustained damages in the amount of \$764,187.00, plus costs and pre-judgment interest at the statutory rate.

22. Defendants have breached their contractual obligations to pay plaintiff for the goods sold and delivered.

As and for a Second Cause of Action: Unjust Enrichment

23. Plaintiff incorporates by reference the preceding allegations as if fully restated herein.

24. Defendants, jointly and severally, were enriched by accepting delivery.

25. Plaintiff has been impoverished in the value of the goods delivered.

26. Defendants' enrichment is connected to plaintiff's impoverishment, as defendants, collectively, accepted delivery of the goods without payment to plaintiff.

27. Defendants have no justification for keeping, using, or reselling the goods without payment to plaintiff.

28. By reason of the aforesaid, plaintiff sustained damages in the amount of \$764,187.00, plus costs and pre-judgment interest at the statutory rate.

**As and for a Third Cause of Action:
Breach of Implied Covenant of Good Faith and Fair Dealings.**

29. Plaintiff incorporates herein by reference the preceding allegations as if fully restated herein.

30. Plaintiff has performed all conditions, covenants and promises required to be performed by plaintiff in connection with the goods sold and delivered to defendants.

31. Defendants have breached the covenant of good faith and fair dealing implied in the purchase orders by failing to pay for goods sold and sent to them.

32. As a direct result of defendants' breaches of the implied covenant of good faith and fair dealing, plaintiff have suffered and will continue to suffer monetary damages in an amount to be proved at trial.

As and for Plaintiff's Claim of Joint and Several Liability

33. Plaintiff incorporates herein by reference the preceding allegations as if fully restated herein.

34. Defendant E-Z is the alter ego of each individually named defendant, in that they are owned and managed by the same principal persons directly or indirectly. Defendants function as a de facto partnership, having a common business purpose, shared resources, shared ownership, and shared personnel.

35. Because defendants failed to respect the accounting and legal requirements, and due to the abuses of the business form which have caused injury to plaintiff due to the distribution of moneys, and transfer of moneys and other assets from one business to the other, and to defendants Zeitouni and Azrak, to the detriment of respective creditors such as plaintiff,

plaintiff is entitled to pierce the LLC structure and corporate structure of the respective defendants, and hold each of the defendants liable for the breaches of the other.

Jury Demand

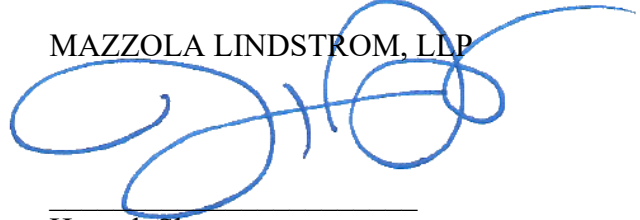
36. Plaintiff demands trial by jury as to all issues so triable.

WHEREFORE, plaintiff demands judgment against defendants, jointly and severally, in the amount of \$764,187.00, plus interests, and costs.

Dated: New York, New York
July 13, 2022

Respectfully submitted,

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